

AMENDED IN ASSEMBLY APRIL 6, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1864**

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**Introduced by Assembly Members Audra Strickland and Galgiani**

February 12, 2010

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An act to amend Section 16531.1 of the Government Code, relating to Medi-Cal, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1864, as amended, Audra Strickland. Medi-Cal: HIV drug treatment: developmental services: provider reimbursement.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which basic health care services are provided to qualified low-income persons.

Existing law creates the continuously appropriated Medical Providers Interim Payment Fund, for the purposes of paying Medi-Cal providers, providers of drug treatment services for persons infected with HIV, and providers of services for the developmentally disabled, on and after July 1 and before September 1, of the fiscal year for which a budget has not yet been enacted or there is a deficiency in the Medi-Cal budget in any fiscal year, and transfers or appropriates, for each fiscal year in which these payments are necessary, up to \$1,000,000,000 from the General Fund, in the form of loans, and \$1,000,000,000 from the Federal Trust Fund, to the Medical Providers Interim Payment Fund.

~~This bill would, instead, provide that these transfers to the Medical Providers Interim Payment Fund shall be in an amount sufficient to make continued payments to the above-described providers on or after July 1 of the fiscal year for which no budget has been enacted until the date upon which a budget is enacted for that year or when there is a~~

deficiency in the Medi-Cal budget. To the extent that the bill would increase the amount transferred into a continuously appropriated fund, this bill would make an appropriation.

*This bill would increase, to an amount not to exceed \$2,500,000,000, the annual appropriation from the General Fund and from the Federal Trust Fund to the Medical Providers Interim Payment Fund. By increasing the amount transferred into a continuously appropriated fund, this bill would make an appropriation.*

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 16531.1 of the Government Code is  
2     amended to read:

3     16531.1. (a) Notwithstanding any other provision of law and  
4     without regard to fiscal year, if the annual State Budget is not  
5     enacted by June 30 of any fiscal year preceding the fiscal year to  
6     which the budget would apply or there is a deficiency in the  
7     Medi-Cal budget during any fiscal year, both of the following shall  
8     occur:

9     (1) The Controller shall annually transfer from the General  
10    Fund, in the form of one or more loans, an amount not to exceed  
11    a cumulative total of ~~one~~ two billion five hundred million dollars  
12    ~~(\$1,000,000,000)~~ (\$2,500,000,000) in any fiscal year, to the  
13    Medical Providers Interim Payment Fund, which is hereby created  
14    in the State Treasury. Notwithstanding Section 13340 of the  
15    Government Code, the Medical Providers Interim Payment Fund  
16    is hereby continuously appropriated for the purpose of making  
17    payments to Medi-Cal providers, providers of services under  
18    Chapter 6 (commencing with Section 120950) of Part 4 of Division  
19    105 of the Health and Safety Code, and providers of services under  
20    Division 4.5 (commencing with Section 4500) of the Welfare and  
21    Institutions Code, on or after July 1 of the fiscal year for which no  
22    budget has been enacted and before September 1 of that year or  
23    for the purpose of making payments to Medi-Cal providers,  
24    providers of services under Chapter 6 (commencing with Section  
25    120950) of Part 4 of Division 105 of the Health and Safety Code,  
26    and providers of services under Division 4.5 (commencing with  
27    Section 4500) of the Welfare and Institutions Code, during the

1 period in which the Medi-Cal program has a deficiency. Payments  
2 shall be made pursuant to this subdivision if both of the following  
3 conditions have been met:

4 (A) An invoice has been submitted for the services.

5 (B) Payment for the services is due and payable and the State  
6 Department of Health *Care* Services determines that payment  
7 would be valid.

8 (2) For any fiscal year to which this subdivision applies, there  
9 is hereby appropriated the sum of ~~one~~ *two billion five hundred*  
10 *million* dollars ~~(\$1,000,000,000)~~ *(\$2,500,000,000)* from the Federal  
11 Trust Fund to the Medical Providers Interim Payment Fund.

12 (b) Upon the enactment of the annual Budget Act or a deficiency  
13 bill in any fiscal year to which subdivision (a) applies, the  
14 Controller shall transfer all expenditures and unexpended funds  
15 in the Medical Providers Interim Payment Fund to the appropriate  
16 Budget Act item.

17 (c) The amount of any loan made pursuant to subdivision (a)  
18 and for which moneys were expended from the Medical Providers  
19 Interim Payment Fund shall be repaid by debiting the appropriate  
20 Budget Act item in accordance with the procedure prescribed by  
21 the Department of Finance.

22 ~~SECTION 1. Section 16531.1 of the Government Code is~~  
23 ~~amended to read:~~

24 ~~16531.1. (a) Notwithstanding any other provision of law and~~  
25 ~~without regard to fiscal year, if the annual State Budget is not~~  
26 ~~enacted by June 30 of any fiscal year preceding the fiscal year to~~  
27 ~~which the budget would apply or there is a deficiency in the~~  
28 ~~Medi-Cal budget during any fiscal year, both of the following shall~~  
29 ~~occur:~~

30 ~~(1) (A) The Controller shall transfer from the General Fund,~~  
31 ~~in the form of one or more loans, an amount sufficient to make~~  
32 ~~continued payments to Medi-Cal providers, providers of services~~  
33 ~~under Chapter 6 (commencing with Section 120950) of Part 4 of~~  
34 ~~Division 105 of the Health and Safety Code, and providers of~~  
35 ~~services under Division 4.5 (commencing with Section 4500) of~~  
36 ~~the Welfare and Institutions Code, to the Medical Providers Interim~~  
37 ~~Payment Fund, which is hereby created in the State Treasury.~~  
38 ~~Notwithstanding Section 13340, the Medical Providers Interim~~  
39 ~~Payment Fund is hereby continuously appropriated without regard~~

1 to fiscal year for the purpose of making payments in either of the  
2 following ways:

3 (i) On or after July 1 of the fiscal year for which no budget has  
4 been enacted, and until the date upon which a budget is enacted  
5 for that year, to Medi-Cal providers, providers of services under  
6 Chapter 6 (commencing with Section 120950) of Part 4 of Division  
7 105 of the Health and Safety Code, and providers of services under  
8 Division 4.5 (commencing with Section 4500) of the Welfare and  
9 Institutions Code.

10 (ii) During the period in which the Medi-Cal program has a  
11 deficiency, to Medi-Cal providers.

12 (B) Payments shall be made pursuant to this subdivision if both  
13 of the following conditions have been met:

14 (i) An invoice has been submitted for the services.

15 (ii) Payment for the services is due and payable and the State  
16 Department of Health Services determines that payment would be  
17 valid.

18 (2) For any fiscal year to which this subdivision applies, there  
19 is hereby appropriated an amount of money that is sufficient to  
20 make additional continued payments to the providers described in  
21 paragraph (1) on or after July 1 of the fiscal year in which no  
22 budget has been enacted and until the date upon which a budget  
23 is enacted for that year, or during the period in which the Medi-Cal  
24 program has a deficiency, from the Federal Trust Fund to the  
25 Medical Providers Interim Payment Fund.

26 (b) Upon the enactment of the annual Budget Act or a deficiency  
27 bill in any fiscal year to which subdivision (a) applies, the  
28 Controller shall transfer all expenditures and unexpended funds  
29 in the Medical Providers Interim Payment Fund to the appropriate  
30 Budget Act item.

31 (c) The amount of any loan made pursuant to subdivision (a)  
32 and for which moneys were expended from the Medical Providers  
33 Interim Payment Fund shall be repaid by debiting the appropriate  
34 Budget Act item in accordance with the procedure prescribed by  
35 the Department of Finance.